

# Missouri Timber Price Trends

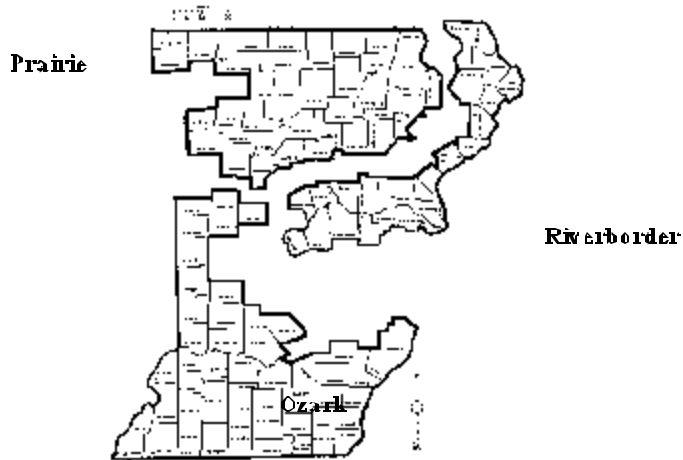


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**Quarterly Market Report**  
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## Price Reporting Regions



**Missouri Timber Price Trends** tracks market prices for Stumpage and Delivered Logs. Reports on the Stumpage Market are received from Missouri Department of Conservation Resource Foresters and private consulting foresters. Stumpage refers to timber sold on the stump and does not reflect delivered mill prices. Reports on the Log Market give delivered log prices and are compiled from reports submitted by sawmills and other wood processing plants. These reports should serve as a **general** guide to track stumpage and delivered log prices. Landowners should not use this report to replace a timber inventory and marketing assistance as methods of conducting a sale. Missouri Department of Conservation Resource Foresters will be able to provide information on current, local market conditions. Details of all private sales and delivered prices are kept confidential.

### Tree Scale Conversion Factors

Sawlogs - Veneer Logs

Int'l = Doyle x 1.52

Int'l = Scribner x 1.18

Pulpwood

Pine

5,200 lbs/cord

Hardwood (hard)

5,600 lbs/cord

Hardwood (soft)

4,200 lbs/cord

## STATEWIDE TIMBER STUMPAGE PRICE TRENDS IN MISSOURI

(Oct. - Dec., 1994)

	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
<b>Veneer</b>							
Black Walnut	\$1659	\$776	\$1079	\$1044	\$672	8	39489
White oak (group)	\$1000	\$1000	\$1000	\$641	\$530	1	10000
<b>Sawlogs</b>							
Ash	\$171	\$150	\$152	\$197	\$240	3	8976
Black Walnut	\$394	\$231	\$272	\$232	\$510	7	40159
Hackberry	\$100	\$78	\$84	\$82	--	2	2070
Hickory	\$60	\$60	\$60	\$83	\$69	1	1700
Hard Maple	\$60	\$60	\$60	--	\$50	1	2400
Soft Maple	\$86	\$31	\$75	\$155	\$75	2	14336
Oak (mixed species)	\$141	\$51	\$108	\$125	\$94	6	203347
Red oak (group)	\$200	\$89	\$159	\$169	\$103	10	1425481
White oak (group)	\$200	\$44	\$140	\$139	\$113	14	368525
Mixed Hardwoods	\$145	\$30	\$94	\$86	\$86	10	1452064
Southern Yellow Pine	\$166	\$166	\$166	\$132	--	1	76747
<b>Stave logs</b>							
White oak (group)	\$320	\$136	\$212	--	\$202	3	52927
<b>Fence posts</b>							
Southern Yellow Pine	\$0.81 per pc.	\$0.32 per pc.	\$0.45 per pc.	--	--	2	4491 Pieces
<b>Firewood</b>							
Mixed Hardwoods	\$1	\$1	\$1	--	\$5	1	27 Cords

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

## TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S PRAIRIE REGION

(Oct. - Dec., 1994)

Veneer	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Black Walnut	\$1659	\$776	\$1093	\$1315	\$653	6	29352
White oak (group)	\$1000	\$1000	\$1000	--	--	1	10000
<b>Sawlogs</b>							
Ash	\$171	\$150	\$152	\$197	--	3	8976
Black Walnut	\$394	\$263	\$287	\$222	\$531	5	18498
Hackberry	\$100	\$78	\$84	\$82	--	2	2070
Hickory	\$60	\$60	\$60	--	\$26	1	1700
Hard Maple	\$60	\$60	\$60	--	--	1	2400
Soft Maple	\$86	\$31	\$75	\$155	\$75	2	14336
Red oak (group)	\$200	\$100	\$163	\$148	\$52	3	36300
White oak (group)	\$200	\$60	\$171	\$153	\$73	7	117836
Mixed Hardwoods	\$60	\$31	\$45	\$83	\$46	2	10860

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

## TIMBER STUMPAGE PRICE TRENDS IN MISSOURI'S OZARK REGION

(Oct. - Dec., 1994)

Veneer	High \$/MBF	Low \$/MBF	Weighted Average	Previous Quarter	Last Year	Number of Reports	Total Volume (Board Feet)
Black Walnut	\$1371	\$943	\$1037	\$986	\$1138	2	10137
<b>Sawlogs</b>							
Black Walnut	\$263	\$231	\$260	\$249	\$433	2	21661
Oak (mixed species)	\$141	\$51	\$108	\$125	\$93	6	203347
Red oak (group)	\$188	\$89	\$159	\$162	\$92	7	1389181
White oak (group)	\$190	\$44	\$125	\$124	\$81	7	250689
Mixed Hardwoods	\$145	\$30	\$95	\$77	\$95	8	1441204
Southern Yellow Pine	\$166	\$166	\$166	\$132	--	1	76747
<b>Slave logs</b>							
White oak (group)	\$320	\$136	\$212	--	\$275	3	52927
<b>Fence posts</b>							
Southern Yellow Pine	\$0.81 per pc.	\$0.32 per pc.	\$0.45 per pc.	--	--	2	4491 Pieces
<b>Firewood</b>							
Mixed Hardwoods	\$1	\$1	\$1	--	--	1	27 Cords

MBF = Thousand Board Feet. Board Foot Volumes are based on International 1/4" Rule Scale

# Missouri Log Market Report



## Grade Logs - Average Statewide Delivered Prices

(Oct. - Dec., 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

Veneer Species	High	Low	Average
Black Walnut	\$1861	\$928	\$1330
White oak (group)	\$675	\$675	\$675

\* 12 Mill(s) reporting.

Sawlogs Species	Grade 1	Grade 2	Grade 3
Ash	\$321	\$175	\$76
Black Walnut	\$697	\$336	\$197
Cherry	\$449	\$272	\$202
Cottonwood	\$135	\$106	\$66
Eastern Redcedar	\$250	\$250	\$250
Elm	\$120	\$120	\$90
Hackberry	\$150	\$129	\$90
Hard Maple	\$269	\$153	\$61
Hickory	\$129	\$125	\$103
Pecan	\$120	\$120	\$120
Red oak (group)	\$402	\$273	\$150
Soft Maple	\$251	\$179	\$83
Southern Yellow Pine	\$163	\$135	\$125
Sycamore	\$138	\$121	\$77
White oak (group)	\$342	\$247	\$140

\* 17 Mill(s) reporting.

## Missouri Department of Conservation, Forestry Division University of Missouri, Forestry Extension Missouri Forest Products Association

Welcome to the **Missouri Log Market Report**. This report is intended to provide information on delivered log prices and market conditions for loggers and mill operators. Landowners can benefit by tracking market conditions for the various wood products harvested from a tree.

The Log Market Report is published as a cooperative effort of the Forestry Division of the Missouri Department of Conservation, University of Missouri-Extension and the Missouri Forest Products Association.

The report details prices for **Grade Logs** by species and grade; and prices for **Below Grade Logs** by species and intended end use, such as blocking, pallet lumber or ties. All prices are based on the average mean within the grade standard or product line. Absolute maximums or minimums are not reported. All prices are based on a thousand board feet unit using the International 1/4" Log Scale. Log grades used in this report are based on the following **minimum** criteria:

	Grade 1	Grade 2	Grade 3
Minimum Diameter	13-15"	11"	8"
Minimum Log Length	10'	8'	8'

We hope you find the information useful and will be working to expand the number of participating mills; reported species and products (veneer, etc); and the range of coverage for the report. All information provided by the participating mills is confidential.

If you have any questions, comments, or would like to participate in the reporting program, please call Shelby Jones at (314) 751-4115, Extension 109.

## Grade Logs - Average Delivered Prices for the Prairie Region

(Oct. - Dec., 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

### Veneer

Species	High	Low	Average
Black Walnut	\$2114	\$1108	\$1574
White oak (group)	\$621	\$621	\$621

**\*6 Mill(s) reporting.**

### Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$312	\$176	\$74
Black Walnut	\$617	\$434	\$144
Cherry	\$419	\$309	\$164
Cottonwood	\$139	\$102	\$50
Hackberry	\$165	\$134	--
Hickory	\$139	--	--
Red oak (group)	\$432	\$283	\$114
Soft Maple	\$272	\$165	\$80
Sycamore	\$161	\$122	\$49
White oak (group)	\$351	\$240	\$109

**\*5 Mill(s) reporting. Note: Grade 1&2 Log standards are more selective in the Prairie region.**

## Grade Logs - Average Delivered Prices for the Ozark Region

(Oct. - Dec. , 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

### Veneer

Species	High	Low	Average
Black Walnut	\$1795	\$1009	\$1402
White oak (group)	\$711	\$711	\$711

**\*3 Mill(s) reporting.**

### Sawlogs

Species	Grade 1	Grade 2	Grade 3
Black Walnut	\$441	\$245	\$82
Hickory	\$170	\$130	\$130
Red oak (group)	\$310	\$249	\$190
Southern Yellow Pine	\$163	\$135	\$125
White oak (group)	\$302	\$248	\$204

**\*8 Mill(s) reporting.**

## Grade Logs - Average Delivered Prices for the Riverborder Region

(Oct. - Dec., 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

### Sawlogs

Species	Grade 1	Grade 2	Grade 3
Ash	\$367	\$173	\$80
Black Walnut	\$872	\$302	\$400
Cherry	\$546	\$248	\$240
Cottonwood	\$120	\$120	\$120
Eastern Redcedar	\$250	\$250	\$250
Elm	\$120	\$120	\$120
Hackberry	\$120	\$120	\$120
Hard Maple	\$330	\$153	--
Hickory	\$120	\$120	\$120
Pecan	\$120	\$120	\$120
Red oak (group)	\$656	\$400	\$144
Soft Maple	\$250	\$250	\$120
Sycamore	\$120	\$120	\$120
White oak (group)	\$447	\$267	\$86

\*3 Mill(s) reporting.

## Below Grade Logs - Average Statewide Delivered Prices

(Oct. - Dec., 1994)

Dollars Per Thousand Board Feet, International 1/4" Scale

### Below Grade Logs

Species	Blocking	Pallet	Tie
Ash	\$103	\$105	\$94
Black Walnut	\$132	\$132	\$120
Cherry	\$121	\$117	\$109
Cottonwood	\$112	\$105	\$101
Eastern Redcedar	\$262	\$262	\$250
Elm	\$131	\$127	\$128
Hackberry	\$124	\$120	\$117
Hard Maple	\$116	\$119	\$124
Hickory	\$125	\$125	\$145
Pecan	\$132	\$123	\$120
Red oak (group)	\$127	\$123	\$140
Soft Maple	\$127	\$120	\$117
Southern Yellow Pine	\$136	\$138	\$140
Sycamore	\$134	\$130	\$137
White oak (group)	\$127	\$123	\$139

\*9 Mill(s) reporting.

## QUARTERLY MARKET CONDITIONS

27 mills, with a combined annual production of 98.4 million board feet, participated in the October-December, 1994 survey of log and lumber market conditions. In addition, foresters reported stumpage prices resulting from 32 timber sales containing 7.5 million board feet located throughout the state.

### Log Markets

Prices for delivered logs in the blocking, pallet, and tie categories are not much different than the previous quarter. Both red oak and white oak prices are nearly the same as reported by mills in the third quarter. Pine logs are up slightly in the blocking and pallet categories, but pine tie logs prices remained stable. There also appears to be a slight softening in oak tie log prices, but this could be accounted for in the predominance of reports from the Ozark Region.

Good logging conditions throughout the Fall and Winter months have resulted in good log inventories on the majority of mill yards. In fact, surplus log inventories in some areas have contributed to softening of delivered log prices.

Factors likely to affect low grade log prices in the next quarter were mentioned by many reporting mills. Decreased demand for pallet lumber and cants and a soft blocking market may mean slight declines in the delivered prices for lower quality logs. Tie logs were not mentioned to any extent, so those prices will probably stay about where they have been for the past several months. Generally, markets for blocking, pallet, and tie logs are forecast to remain stable through the first quarter of 1995. If logging conditions become muddy, log inventories in local areas could become short which might increase delivered prices \$5-\$10 per MBF.

The situation for grade logs is a little more unsettled. Delivered prices for the best grade is up for almost all species. Price differentials between #1 logs and #2-3 logs seems to have widened. Grade 1 oak logs (both red and white oak) continue to lead the pack. Red oak continues its popularity and its higher value compared to white oak grade sawlogs. Even though red oak lumber prices peaked in mid-1994, seasonal demand is responsible for a slight upward price movement again. Higher interest rates and decreased housing starts are not likely to be reflected in lumber prices for another six month or so. Forecasts for increases in export lumber sales of red oak in 1995 also abound. Sawmills should be optimistic that red oak lumber prices for #1 Common and Btr will remain good for another quarter at least. The market for flooring grades has been and remains somewhat soft, but was not mentioned as a major concern by reporting sawmills. Many grade mills appear to be trying to control their raw material costs by holding the line on log prices for the lower grade logs, but a load of those extra nice, top quality logs still loosens the checkbook a little bit! We have said it before, but it seems to become more important all the time.....high quality timber is becoming more valuable! Timberland is attracting a whole new group of investors who are willing to bet on longer term returns. I personally don't think they will be disappointed. Good timber management will return high dividends in the future.

In the Riverborder and Prairie zones, ash and soft maple markets were improved. In fact, none of the soft hardwood species lost any ground and higher grade logs enjoyed modest increases in price. Hackberry and hard maple are attracting the attention of several new mills and are mentioned with increasing regularity by mills in northern and western Missouri.

If there is a disappointment to report, it would have to be #2 & #3 walnut logs. Low grade walnut lumber is not moving and inventories on air drying yards are increasing. #1 Common and Better walnut lumber continues to move satisfactorily, so higher quality log prices are holding their own, but the lower grades are a problem. It doesn't appear that this trend will change for walnut during the next quarter.

White oak grade sawlogs are about the same story as red oak and walnut, but the stave market is good and can utilize more #2 grade logs because of changes in processing technology. Almost all staves are now "flat-sawn" with thin kerf bandsaw equipment. This change in processing technology makes it possible to produce staves from logs that contain more defects and are smaller in diameter than in the past. The addition of domestic wine barrel markets and increases in the international markets for both wine and scotch whiskey barrels makes for an optimistic outlook for the cooperage industry for the next 12-24 months. We could possibly see slight increases in prices for #1 and #2 white oak logs as a result.

Veneer logs are enjoying their seasonal price increases as usual. However, the number of reported veneer logs sales is much lower than in past years with prices about the same or slightly lower than during the winter of 1993. For example, there were no red oak veneer log prices reported by mills this quarter. White oak and walnut were the only species reported in enough quantity to include in this report. There is little evidence to indicate that veneer logs prices will increase any more this season. Landowners who have veneer logs ready to sell might be advised to thoroughly assess bid prices before signing contracts. A couple of mills reported ash, cherry, and hard maple veneer log prices, but the volume was too low to include in a state-wide price report. However, it is nice to hear that markets for veneer quality logs exist for these species, even if the volumes are small.

Generally, log prices reported for the fourth quarter of 1994 are forecast to continue through the first quarter of 1995. The vast majority of sawmills plan to operate at about the same level as present and purchase about the same volume of logs during the next quarter as they did in Fall and early winter.

### Stumpage Markets

Stumpage prices do not show the same trends as delivered log prices. The statewide picture is one of stable to slightly lower stumpage prices for most species. While stumpage prices are still very good from the landowner perspective, it is evident that timber purchasers are being more cautious in bidding for stumpage. It appears that many more people who buy stumpage are paying closer attention to the high cost of maintaining inventory in standing timber. As interest rates rise in the next few months this trend is likely to continue. Landowners who have experienced a lack of interest by buyers for advertised timber sales should try again, advertising more widely. If you have below average quality timber you will have to make a greater effort to find suitable buyers. Large volume sales (and thus more expensive to buyers if sold on a lump sum basis) can be divided into smaller cutting units or individual sales. Seek the advice of your forester if you seem to be having difficulty finding a buyer for your timber sale.

There are two noted exceptions to the stumpage trends mentioned in the last paragraph. The first is the excellent market for post material in the Ozark region. Pine posts have the edge in value, but hardwood post material is also in demand. For any landowner it would be an excellent time to consider thinning your pine plantations. You may be surprised at both the volume and total value of thinning material 4 inches in diameter and larger. Unfortunately, white pine, jack pine, or Scotch pine plantations are not satisfactory for posts, but all other commonly planted pine species in Missouri make good posts.

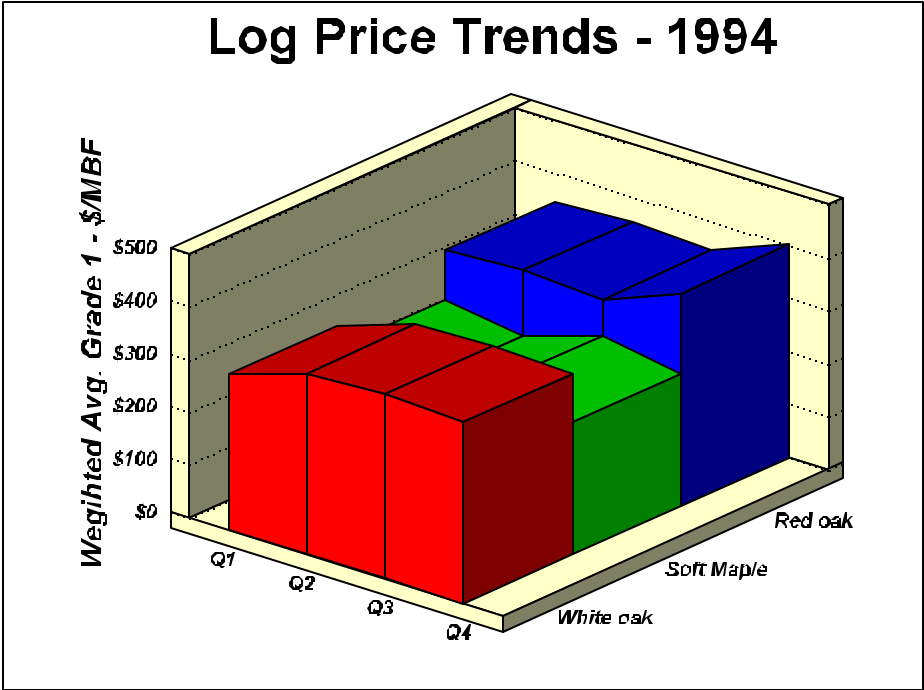
The other stumpage market of interest is white oak stave logs. Stave logs must be fairly good

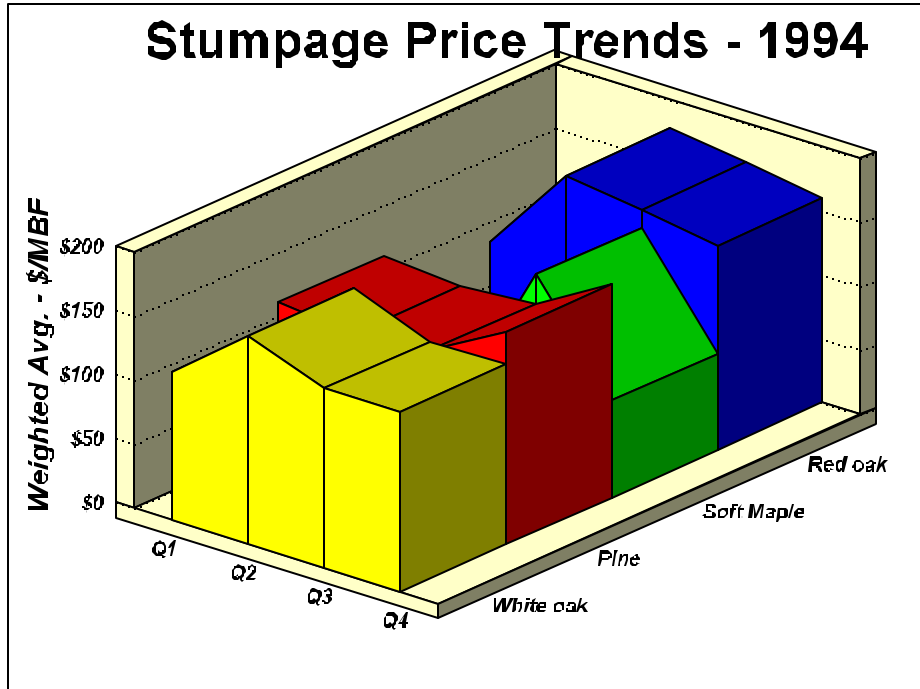
quality, straight grained, and 12 inches or more in diameter. It is fairly common for stumpage prices for this material to be approximately 50% of the value of the logs delivered to the mill. In this market report the prices for stave logs are listed as a separate item in the stumpage section. Markets for stave logs exist throughout the state. This single market could utilize as much as 60 million board feet of white oak over the next 24 months. Missouri has been a leader in stave and barrel production for many years. Because of our reputation for producing oak with excellent properties for aging both distilled spirits and wine, interest is increasing for Missouri white oak both domestically and internationally.

It is important to note that while stumpage prices have leveled off for many species and grades, values for standing timber is still near historical highs. While environmental considerations have successfully reduced the amount of timber being cut in many areas of the country, consumer demand for wood products continues to increase. The American people still love wood furniture and cabinets, hardwood floors, frame homes, wood decks, etc. Do you know anyone who prefers plastic furniture over fine, solid wood? High prices for wood products could signal a loss of market share to alternative materials, but American's still associate wood with quality. Regulatory restraints of the flow of wood fiber from public lands simply means more demands on privately owned timberlands.

Accompanying this increased demand will almost surely be real increases in value.

**Remember that one of the most valuable sources for information on log and timber markets is the local Missouri Department of Conservation Resource Forester. Contact the nearest Forest District office for up-to-date, local advice. The Missouri Department of Conservation's Forestry Division, (314) 751-4115, Extension 308, will be happy to provide you with the name and address of the Resource Forester or District Forest Office nearest to you.**





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